EIGHTY-FOURTH GENERAL ASSEMBLY
2011 REGULAR SESSION
DAILY
HOUSE CLIP SHEET

APRIL 14, 2011

SENATE AMENDMENT TO
HOUSE FILE 254

H-1652

Amend House File 254, as passed by the House, as follows:

1. By striking everything after the enacting clause and inserting:

<Section 1. Section 8D.9, subsection 2, Code 2011, is amended to read as follows:

2. a. A private or public agency, other than a private college or university or a nonpublic school, which certifies to the commission pursuant to subsection 1 that the agency is a part of or intends to become a part of the network shall use the network for all video, data, and voice requirements of the agency unless the private or public agency petitions the commission for a waiver and one of the following applies:

(1) The costs to the authorized user for services provided on the network are not competitive with the same services provided by another provider.

(2) The authorized user is under contract with another provider for such services, provided the contract was entered into prior to April 1, 1994. The agency shall use the network for video, data, and voice requirements which are not provided pursuant to such contract.

(3) The authorized user has entered into an agreement with the commission to become part of the network prior to June 1, 1994, which does not provide for use of the network for all video, data, and voice requirements of the agency. The commission may enter into an agreement described in this subparagraph upon a determination that the use of the network for all video, data, and voice requirements of the agency would not be in the best interests of the agency.

b. A private or public agency, other than a private college or university or a nonpublic school, shall petition the commission for a waiver of the requirement to use the network as provided in paragraph "a", if the agency determines that paragraph "a", subparagraph (1) or (2) applies. The commission shall establish by rule a review process for determining, upon application of an authorized user, whether paragraph "a", subparagraph (1) or (2) applies. An authorized user found by the commission to be under contract for such services as provided in paragraph "a", subparagraph (2), shall not enter into another contract upon the expiration of such contract, but shall utilize the network for such services as provided in this section unless paragraph "a", subparagraph (1), applies. A waiver approved by the commission may be for a period as requested by the private or public agency of up to three years.

c. A private college or university or a nonpublic school which certifies to the commission pursuant to subsection 1 that the private college, university, or nonpublic school is a part of or intends to become a part of the network may use the network for its video, data, or voice requirements as determined by the private college or university or nonpublic school.>

2. Title page, by striking lines 1 and 2 and inserting <An Act modifying provisions relating to utilization of the Iowa communications network.>

RECEIVED FROM THE SENATE

H-1652 FILED APRIL 13, 2011

SENATE AMENDMENT TO
HOUSE FILE 392

H-1653

Amend House File 392, as amended, passed, and reprinted by the House, as follows:

1. Page 3, by striking lines 10 through 21.

2. Page 3, lines 26 and 27, by striking <residential property> and inserting <principal residence>

3. Page 3, after line 35 by inserting:

<Sec. ___. Section 105.18, subsection 4, unnumbered paragraph 1, Code 2011, is amended to read as follows:

Notwithstanding section 17A.9A, the board shall through December 31, 2009, waive the written examination requirements and prior experience requirements in subsection 2, paragraph "b", subparagraph (1), ~~subparagraph division (c),~~ and subsection 2, paragraph "c", ~~subparagraph (3),~~ for a journeyperson or master license if the applicant meets either of the following requirements:

Sec. ___. Section 105.18, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Waiver for military service. Notwithstanding section 17A.9A, the board shall waive the written examination requirements and prior experience requirements in subsection 2, paragraph "b", subparagraph (1), and subsection 2, paragraph "c", for a journeyperson or master license if the applicant meets all of the following requirements:

a. Is an active or retired member of the United States military.

b. Provides documentation that the applicant was deployed on active duty during any portion of the time period of July 1, 2008, through December 31, 2009.

c. Provides documentation that shows the applicant has previously passed an examination which the board deems substantially similar to the examination for a journeyperson license or a master license, as applicable, issued by the board, or provides documentation that shows the applicant has previously been licensed by a state or local governmental jurisdiction in the same trade and trade level.>

4. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-1653 FILED APRIL 13, 2011

HOUSE FILE 561

H-1655

Amend House File 561 as follows:

1. Page 1, by striking lines 19 through 22 and inserting <to consider altering existing electric generating ~~facilities, where reasonable, to manage carbon emission intensity in order to facilitate the transition to a carbon constrained environment~~ facilities for improved emissions, where reasonable and economically feasible.>

By WATTS of Dallas

H-1655 FILED APRIL 13, 2011

HOUSE FILE 652

H-1651

Amend House File 652 as follows:

1. Page 1, before line 1 by inserting:

<Section 1. Section 422.7, subsection 40, Code 2011, is amended to read as follows:

40. Subtract, to the extent included, active duty pay received by a person in the national guard or armed forces military reserve for service performed on or after January 1, 2003, pursuant to military orders related to Operation Iraqi Freedom, Operation New Dawn, Operation Noble Eagle, and Operation Enduring Freedom.>

2. Page 1, by striking lines 8 through 10 and inserting:

<Sec. ___. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY.

1. This Act, being deemed of immediate importance, takes effect upon enactment.

2. The section of this Act amending section 422.7, subsection 40, applies retroactively to January 1, 2010, for tax years beginning on or after that date.

3. The section of this Act enacting section 422.7, subsection 42A, applies retroactively to January 1, 2011, for tax years beginning on or after that date.>

3. Title page, line 3, after <service> by inserting <and service in Operation New Dawn>

4. Title page, line 3, after <including> by inserting <effective date and>

5. By renumbering as necessary.

By SANDS of Louisa

H-1651 FILED APRIL 13, 2011

HOUSE FILE 672

H-1656

Amend the amendment, H-1621, to House File 672 as follows:

1. Page 1, after line 3 by inserting:

<___. Page 3, line 12, after <4.> by inserting <a.>

___. Page 3, line 16, before <The> by inserting <b.>>

2. Page 1, line 13, after <plant> by inserting <, provided such a facility becomes operational on or before July 1, 2016. Notwithstanding subsection 3, in the event such a facility does not become operational on or before July 1, 2016, the sixteen megawatts of nameplate generating capacity reserved for such facilities shall cease to be reserved>

By PAUSTIAN of Scott

H-1656 FILED APRIL 13, 2011

SENATE FILE 236

H-1654

Amend Senate File 236, as passed by the Senate, as follows:

1. Page 1, before line 1 by inserting:

<Section 1. Section 80B.6, subsection 1, Code 2011, is amended to read as follows:

1. ~~There is created the~~ An Iowa law enforcement academy council ~~which shall consist~~ is created consisting of the following ~~seven~~ thirteen voting members appointed by the governor, subject to confirmation by the senate, to terms of four years commencing as provided in section 69.19:

a. Three residents of the state.

b. A sheriff of a county with a population of fifty thousand persons or more who is a member of the Iowa state sheriffs and deputies association.

c. A sheriff of a county with a population of less than fifty thousand persons who is a member of the Iowa state sheriffs and deputies association.

d. A deputy sheriff of a county who is a member of the Iowa state sheriffs and deputies association.

e. A member of the Iowa peace officers association.

f. A member of the Iowa state police association.

g. A member of the Iowa police chiefs association.

~~c.~~ h. A police officer who is a member of a police department of a city with a population ~~larger than~~ of fifty thousand persons or more.

~~d.~~ i. A police officer who is a member of a police department of a city with a population of less than fifty thousand persons.

~~e.~~ j. A member of the department of public safety.

k. A member of the office of motor vehicle enforcement of the department of transportation.>

2. Title page, lines 1 and 2, by striking <the practices and procedures of the department of public safety including> and inserting <public safety including the Iowa law enforcement academy council,>

3. By renumbering as necessary.

By HAGENOW of Polk

H-1654 FILED APRIL 13, 2011

Amend Senate File 261, as amended, passed, and reprinted by the Senate, as follows:

1. Page 5, before line 19 by inserting:

<Sec. ___. Section 423.1, subsection 37, paragraphs b and c, Code 2011, are amended to read as follows:

b. The property is transferred to the user of the service in connection with the performance of the service in a form or quantity capable of a fixed or definite price value, or the property is entirely consumed in connection with the performance of the service purchased by the ultimate user.

c. The sale is evidenced by a separate charge for the identifiable piece of property unless the property is entirely consumed in connection with the performance of the service purchased by the ultimate user.>

2. Page 6, before line 13 by inserting:

<Sec. ___. Section 423.37, Code 2011, is amended to read as follows:

423.37 Failure to file sales or use tax returns ---- incorrect returns ---- auditing of records.

1. As soon as practicable after a return is filed and in any event within three years after the return is filed, the department shall examine it, assess and determine the tax due if the return is found to be incorrect, and give notice to the person liable for the tax of the assessment and determination as provided in subsection 2. The period for the examination and determination of the correct amount of tax is ~~unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return~~ subject to the limitations in subsection 4.

2. a. If a return required by this subchapter is not filed, or if a return when filed is incorrect or insufficient and the maker fails to file a corrected or sufficient return within twenty days after the same is required by notice from the department, the department shall determine the amount of tax due from information as the department may be able to obtain and, if necessary, may estimate the tax on the basis of external indices, such as number of employees of the person concerned, rentals paid by the person, stock on hand, or other factors.

b. The determination may be made using any generally recognized valid and reliable sampling technique, whether or not the person being audited has complete records, as mutually agreed upon by the department and the taxpayer. The department shall give notice of the determination to the person liable for the tax.

c. The determination shall fix the tax unless the person against whom it is assessed shall, within sixty days after the giving of notice of the determination, apply to the director for a hearing or unless the taxpayer contests the determination by paying the tax, interest, and penalty and timely filing a claim for refund. At the hearing, evidence may be offered to support the determination or to prove that it is incorrect. After the hearing the director shall give notice of the decision to the person liable for the tax.

3. a. The three-year period of limitation provided in subsection 1 may be extended by a taxpayer by signing a waiver agreement form to be provided by the department.

b. The agreement shall stipulate the period of extension and the tax period to which the extension applies.

c. The agreement shall also provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

4. Subject to the limitations of paragraphs "a" and "b", the department shall have the right and duty to examine or cause to be examined the books, papers, records, memoranda, or documents of a taxpayer to verify the correctness of a return filed, estimate the tax liability, and asses tax of any taxpayer.

a. If a return is filed as required under this chapter, the right and duty of the department to examined records and assess tax under this subsection 4 is limited to:

(1) The period beginning three years prior to and ending on the due date of the return if there was not willful neglect of the filing requirements by the taxpayer.

(2) The period beginning seven years prior to and ending three years after the due date of the return if there was willful neglect of the filing requirements by the taxpayer.

b. If a return is filed as required under this chapter, the right and duty of the department to examine records and assess tax is limited to:

(1) The period beginning one year prior to and ending on the due date of the return if there was no willful neglect of the filing requirements or no substantial understatement of tax due by the taxpayer.

(2) The period beginning seven years prior to and ending three years after the due date of the return if there was willful neglect of the filing requirements or substantial understatement of tax due by the taxpayer.

c. For purposes of this subsection:

(1) "Willful neglect of the filing requirements by the taxpayer" means action or inaction by the taxpayer with the intent to evade tax.

(2) "Substantial understatement of tax by the taxpayer" means the tax liability reported by the taxpayer is 50 percent or less than the tax assessed by the department.>

3. By renumbering as necessary.

COMMITTEE ON WAYS AND MEANS
SANDS of Louisa, Chairperson

H-1650 FILED APRIL 13, 2011

Fiscal Note

Fiscal Services Division

[HF 676](#) – Vehicle Leases, Fees (LSB 2276HV)
Analyst: Marcia Tannian (Phone: 515-281-7942) (marcia.tannian@legis.state.ia.us)
Fiscal Note Version – New
Requested by Representative Lee Hein

Description

House File 676 provides an exemption to the fee for new registration for vehicles leased by governmental entities and specified nonprofits. Under current law, the fee for new registration for leased vehicles is the amount equal to 5.0% of the leased price on a lease that is 12 months or longer and for a vehicle that has a gross vehicle weight rating (GVWR) less than 16,000 pounds. The lessor is responsible for payment of the fee, but typically passes the charge along to the lessee through the contract agreement for the lease. Code Section 321.105A specifies that vehicles purchased by entities listed in specific subsections of Code Section 423.3 are exempt. The list of entities is long, but includes governmental entities and specified nonprofits. Under current law, the exemption applies only to the purchase, but not the lease of vehicles. The Bill provides the equivalent exemption for the lease of vehicles by the same entities.

In addition, the Bill provides an exemption from the fee for new registration for vehicles leased to a governmental agency and titled in an individual's name in accordance with a governmental program authorized by law. An example might be the provision of a specialized vehicle for a seriously disabled veteran by the federal government in accordance with United States Code. Under current law, an exemption from the fee for new registration is provided under Code Section 321.105A for the purchase of vehicles under the same situation.

Background

The fee for new registration was established in Senate File 2420 (TIME-21 Transportation Funding Act) during the 2008 Legislative Session. The fee for new registration is a one-time registration fee equal to 5.0% of the sales or lease price of motor vehicles. Generally, the fee for new registration is paid each time ownership of a vehicle is transferred. The fee for new registration replaced the equivalent "use tax" on those vehicles and is constitutionally protected to be used for roads under Article VII of the Iowa Constitution. The revenue from the fee for new registration is deposited in the Road Use Tax Fund in accordance with Code Section 312.1. Counties retain $1.00 on each fee for new registration and the revenue is deposited in the county general funds in accordance with Code Section 321.152. Revenue from the fee for new registration depositing in the Road Use Tax Fund for FY 2010 was $241.7 million. Of that amount, $7.9 million (3.3%) was generated from leased vehicles that are registered as leased. The counties retained $10,324 in their general funds from those leased vehicles.

Current Situation

Department of Transportation Database:

The Department of Transportation (DOT) notes that in its database of vehicle registrations totaling more than 4.1 million vehicles, there are 41,690 that are registered as leased vehicles. Code Section 321.10 requires lessee information to be listed on a vehicle record if the vehicle being leased is less than 10,000 pounds GVWR. There is an exemption for vehicles over 10,000 pounds, so the number in the DOT database does not reflect all vehicles leased that would fit within the exemption in the Bill. Furthermore, the DOT database is unable to provide how many of the lessees are governmental entities or nonprofits.

Governmental Entities:

At the State level, long-term leasing is rare. Most of the vehicles in the State fleet are owned by the agencies. The few that are leased by the State (noted in the following table) are provided by federal grants from the Office of National Drug Control Policy. The grants require vehicles to be leased rather than owned. An informal query of several cities and counties indicates that local authorities lean towards owning vehicles rather than leasing. These purchases are exempt from the fee. The following table provides the number of vehicles owned and leased by State agencies and certain cities and counties.

	Vehicles in Fleet	
Governmental Entity	**Number Owned**	**Number Leased**
State - Board of Regents (three universities, all vehicles)	1,484	0
State - Department of Administrative Services (passenger fleet only)	1,155	5
State - Department of Transportation (light fleet only)	1,250	0
City - Cedar Rapids	620	0
City - Davenport	600	0
City - Des Moines (passenger fleet only)	822	0
County - Dubuque (passenger vehicles only)	26	2
County - Johnson	201	23 buses

Counties that report owning but not leasing vehicles include Woodbury, Story, and Dallas. Black Hawk County leases two motorcycles for the Sheriff's Office, but no other vehicles. Johnson County leases 23 buses for the elderly and those living with disabilities. Depending on the size of the buses, they are likely exempt from the fee for new registration (if greater than 16,000 pounds GVWR).

In addition, an informal query to the school districts indicates that an estimated 90.0% of the school vehicles Statewide are owned rather than leased. The purchase of these vehicles is exempt from the fee.

Nonprofits:

Due to insufficient information, it is unknown whether the specified nonprofits that are exempt from the fee decide to own or lease. A sampling of information, however, indicated that nonprofits appear to follow the pattern of governmental entities and purchase rather than lease, if the entity obtains vehicles. It is likely that many nonprofits do not own fleets, but reimburse mileage expenses for private vehicles instead.

- According to Enterprise Rent-A-Car Fleet Management (for leases that are 12 months or longer), nonprofits represent approximately 5.0% to 10.0% of their leased vehicle fleet clients in Iowa. Generally, these are larger nonprofit entities with approximately 75 to several hundred employees. According to Enterprise, an average of 55 new vehicles are delivered annually to nonprofit clients in Iowa at an average delivered cost of approximately $15,000. The estimated average annual revenue from the fee for new registration generated from these nonprofits is approximately $41,250. The county general funds earn an estimated $55.00, in total, annually from the 55 vehicles paying the fee for new registration. It is unknown if the nonprofits cited by the company would be eligible for the exemption.

- An informal survey of 11 nonprofit members of the Coalition for Family and Children's Services in Iowa, indicated a total of 197 vehicles are owned and 21 are leased. The leased vehicles represent 9.6% of the total fleet for these nonprofits. It is unknown if these nonprofits meet the exemption requirements for the fee for new registration, but based on the types of services provided it is likely that many do.

Fiscal Impact

There is no impact to the State General Fund.

The fiscal impact to other funds cannot be determined due to insufficient information because the total number of vehicles leased rather than purchased by the specified nonprofits or governmental entities is unknown. Also, the number of individuals that have a vehicle purchased for them by governmental entities is unknown. Any loss of revenue would be a loss to the Road Use Tax Fund and county general funds.

While the information gathered is not dispositive, it generally indicates that the entities are not paying the fee for new registration because they are purchasing under the existing exemption rather than leasing. Therefore, based on the information gathered and the indications from the current patterns related to purchasing versus leasing for the governmental agencies and nonprofits, the anticipated impact to the Road Use Tax Fund and the county general funds is expected to be minimal.

Sources

Department of Transportation
Department of Administrative Services
Department of Public Safety
Board of Regents
Cities: Cedar Rapids, Des Moines, and Davenport
Counties: Woodbury, Johnson, Black Hawk, Dubuque, Story, and Dallas
Iowa School Districts
Enterprise Rent-A-Car
Members of the Coalition for Family and Children's Services in Iowa

/s/ Holly M. Lyons

April 13, 2011

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to Code **Section 2.56**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

LEGISLATIVE SERVICES AGENCY
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Fiscal Note

Fiscal Services Division

HF 675 – Mechanics Liens (LSB 2236HZ)
Analyst: Joseph Brandstatter (Phone: 515-281-8223) (joseph.brandstatter@legis.state.ia.us)
Fiscal Note Version – New

Description

House File 675 relates to mechanics liens and the establishment of a State Construction Registry (SCR) for residential construction property.

The SCR is a centralized internet database maintained by the Office of the Secretary of State (SOS) that provides a central repository for the submission and management of preliminary notices and notices of commencement of work on all residential construction properties. The Bill requires a general contractor or owner-builder to submit a notice to the SOS or post a notice to the Registry to establish a mechanics lien. The SCR is required to be a publicly accessible centralized electronic database created and maintained by the Secretary of State.

The Secretary of State is required to adopt rules for the creation and administration of the SCR. Fees for mechanics liens, preliminary notice filings, and notice of commencement are to be set by rule. The SCR is to be funded through the collection of fees deposited in the State Construction Registry Fund created within the SOS. The Bill eliminates the requirement that the clerk of court make an abstract of a claim for a mechanics lien and requires the SOS to record the date and hour of filing of a claim for a mechanics lien and to index every claim.

The Bill takes effect July 1, 2012.

Background

In FY 2010, 2,700 mechanics liens were filed with county clerk of court offices within the Judicial Branch. The fee to file a lien is $50. The fee revenue is transferred directly to the General Fund. No funds are retained by the Judicial Branch for administrative costs. In FY 2010, approximately $137,000 was collected in fees and transferred to the General Fund.

Assumptions

- The SOS will charge the following fees: $30 for each mechanics lien filed, $7 for preliminary notice filings, and $10 for notice of commencement filings.
- The number of mechanics liens filed will decrease by 30.0% due to the efficiency of having an SCR providing improved notice access. The number of mechanics liens filed from FY 2007 through FY 2010 was significantly higher due to poor economic conditions and a number of large general contractors in the State suddenly ending business operations. Fewer liens are expected in future years.

Fiscal Impact

The Secretary of State will collect approximately $201,000 in revenue for FY 2013 and $208,000 in FY 2014. The revenue collected will fund the creation of the SCR including hardware, software, and information technology support. The SOS has indicated that 1.5 FTE positions will be required to operate the SCR.

House File 675 will not have an impact on the courts. There is no fiscal impact in FY 2012. Beginning in FY 2013 and subsequent fiscal years, General Fund revenue will decrease by an estimated $125,000 per year.

Sources

Secretary of State
Judicial Branch
Iowa Finance Authority, Title Guaranty Division

/s/ Holly M. Lyons

April 13, 2011

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to Code **Section 2.56**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

LEGISLATIVE SERVICES AGENCY

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Fiscal Note

Fiscal Services Division

SF 480 – Health Care Infrastructure (LSB 2122SV.1)
Analyst: Deborah Thompson (Phone: 515-281-6764) (deborah.thompson@legis.state.ia.us)
Fiscal Note Version – As amended and passed by the Senate

Description

Senate File 480, as amended and passed by the Senate, includes but is not limited to the following actions:

- Creates an Office of Health Policy in the Department of Public Health (DPH) and specifies the responsibilities charged to the Office.
- Codifies an existing pilot program for medication therapy management administered by the Department of Administrative Services (DAS).
- Directs the Department of Human Services (DHS) to develop plans for an all-payer claims database and a provider payment system. The provider payment system directive also includes authorization for an accountable care organization pilot project.

Total Fiscal Impact: The chart below indicates the total estimated fiscal impact for this Bill. There is no appropriation made in this Bill.

Senate File 480	FY 2012	FY 2013
Division I - Office of Health Policy in DPH		
Public Service Executive 5 (Health Economist) (1.00 FTE)	$ 103,756	$ 103,174
Program Planner 3 for strategic plan (1.00 FTE)	65,540	63,811
Total Division I	$ 169,296	$ 166,985
Division II - Medication Therapy Management		
For DAS for the request for proposal and subsequent contract to begin on July 1, 2011.	$ 490,000	$ 490,000
Support for the Advisory Council	-	-
Total Division II	$ 490,000	$ 490,000
Division III - Directive of Integration of Public/Private Programs		
DHS - All payer claims database plan, State share, (1.00 FTE)	$ 20,000	$ -
DHS - Provider payment system plan, State share	200,000	-
DHS - Provider payment system pilot project, State share, (1.00 FTE)	100,000	100,000
Total Division III	$ 320,000	$ 100,000
Total	$ 979,296	$ 756,985

DIVISION I

Office of Health Policy

Division I creates an Office of Health Policy in the DPH under the purview of the Director. The new Office will integrate public and private efforts in formulating and implementing a State health policy agenda. The Office will coordinate with the other relevant Department Divisions to support its work. The Bill provides for several goals and duties of the Office relating to the State health policy agenda. The Office is required to be staffed by a coordinator that is a health economist. The coordinator is required to establish a technical advisory council and may utilize existing councils and workgroups.

The Office is required to develop a strategic plan for health care delivery infrastructure and health care workforce resources. The Bill provides for elements to be included in the plan and guiding principles to consider as the plan is developed. The Office is required to submit a timeline for completion and submission of the various components of the strategic plan to the Governor and the General Assembly by October 1, 2011.

Assumptions

- The DPH will utilize the existing FTE positions and General Fund resources that are currently dedicated to the Health and Long-Term Care Advisory Council to partially support the work of the Office.
- One Public Service Executive 5 position that is a health economist is required to be the coordinator of the Office.
- One Program Planner 3 position will assist the Office coordinator with the strategic plan components.

Fiscal Impact

The fiscal impact of Division I is an estimated increase in General Fund expenditures of $169,296 and 2.00 FTE positions in FY 2012 and $166,985 in FY 2013. There is no General Fund appropriation in this Bill for the additional costs to the DPH for Division I. The provisions of Division I take effect on enactment.

Source

Department of Public Health

DIVISION II

Division II codifies a medication therapy management pilot project that was created in **House File 2531** (FY 2011 Standing and Salaries Appropriations Act) and is administered by the DAS. **Senate File 480** directs the DAS to conduct a request for proposal (RFP) after the current contract with Outcomes Pharmaceutical Health Care ends on June 30, 2011. The Bill outlines conditions to be included in the RFP and contract. The DAS is required to convene an advisory council to provide advice and oversight of the contract and the evaluation processes.

Assumptions

- The DAS is required to conduct an RFP process for a new contract to begin in FY 2012. The Division takes effect on enactment and the RFP will be out for bid before the close of FY 2011.
- The contract with the selected entity will cost approximately $490,000 in FY 2012 and FY 2013.
- The advisory council will be convened as needed and the DAS will absorb the administrative costs.

Fiscal Impact

The fiscal impact of Division II is an estimated increase in General Fund expenditures of $490,000 in FY 2012 and FY 2013. There is no General Fund appropriation in this Bill for Division II. The provisions of Division II take effect on enactment.

Source

Department of Administrative Services

DIVISION III

Division III provides directives to State departments relative to provisions in the federal Patient Protection and Affordable Care Act (PPACA) of 2010. The Departments are directed to collaborate to develop a plan to meet the requirements of the Act relating to a health benefit exchange. The plan is also to address specified issues and is to include necessary policy, statutory, and regulatory changes, and financing, tools, and strategies for implementation. The plan is required to be submitted to the Governor and the General Assembly by October 15, 2011.

The DHS is directed to develop plans for an all-payer claims database and a provider payment system. The Bill provides for the components to be included in each plan. The provider payment system directive also includes authorization to work with an entity on an accountable care organization pilot project. The entity certified to implement the pilot project is required to report to the Health and Human Services Appropriations Subcommittee regarding the progress and outcomes of the pilot project during the 2012 Legislative Session.

Assumptions

- The Departments participating in the plan due on October 15, 2011, will absorb the costs for collaboration.
- The costs relating to the all-payer claims database and the provider payment system plans will be one-time in FY 2012. The pilot project will continue for at least two fiscal years.
- Due to provisions in the federal PPACA, the costs to DHS for the two plans and pilot project are eligible for federal matching funds.
- The Department will contract with a third-party entity for the entirety of the provider payment system plan and for parts of the all-payer claims database plan.
- A summary of the estimated costs for FY 2012 to the DHS for specified provisions of Division III is provided in the chart below:

DHS FY 2012 Estimated Costs	Federal Match	Federal Share	State Share	Total Cost	FTEs
All-payer Claims Database Plan	90.00%	$ 180,000	$ 20,000	$ 200,000	1.00
Provider Payment System Plan	50.00%	200,000	200,000	400,000	0.00
Provider Payment System Pilot Project	50.00%	100,000	100,000	200,000	1.00
Total DHS Costs and FTE positions		$ 480,000	$ 320,000	$ 800,000	2.00

Fiscal Impact

The total fiscal impact to the State for Division III is an estimated increase in General Fund expenditures of $320,000 and 2.00 FTE positions for FY 2012. For FY 2013, the costs will decrease to $100,000 for continuation of the provider payment system pilot project. The provisions of Division III take effect on enactment.

Source

Department of Human Services, Iowa Medicaid Enterprise

/s/ Holly M. Lyons

April 13, 2011

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to Code **Section 2.56**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

Fiscal Note

Fiscal Services Division

LEGISLATIVE SERVICES AGENCY

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HF 677 – Global Positioning System Sales Tax Exemption (LSB 1990HV)
Analyst: Shawn Snyder (Phone: 515-281-7799) (shawn.snyder@legis.state.ia.us)
Fiscal Note Version – New

Description

House File 677 provides a sales and use tax exemption on the sales price of global positioning systems (GPS) and GPS software and subscription fees used in farming operations.

Background

Currently the sales of GPS equipment used in farming operations are exempt from sales and use tax in Iowa.

Assumptions

- Based on informal survey data from the Iowa Nebraska Equipment Dealer Association (INEDA), dealers remitted sales tax of approximately $122,000 for GPS services and fees in the past year.
- The Department of Revenue sales/use tax growth model projects increases of 4.1% for FY 2012, 5.1% for FY 2013 and 5.8% for FY 2014.
- The estimate assumes a statewide local option sales tax (LOST) effective rate of 0.87%.

Fiscal Impact

Enactment of **HF 677** is estimated to decrease State sales/use tax receipts by approximately $127,000 in FY 2012, $134,000 in FY 2013, and $142,000 in FY 2014. The following table provides the estimated fiscal impact to the State General Fund, the Secure an Advanced Vision for Education (SAVE) Fund, and the local option sales tax (LOST).

	Estimated Fiscal Impact		
	General Fund	SAVE Fund	Local Option Sales Tax
FY 2012	$ -106,222	$ -21,244	$ -18,483
FY 2013	$ -111,639	$ -22,328	$ -19,425
FY 2014	$ -118,114	$ -23,623	$ -20,552

Sources

Iowa Nebraska Equipment Dealer Association
Iowa Department of Revenue

/s/ Holly M. Lyons

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